

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

January 29, 2014 p.m.

Members Present: Sen. Allen M. Christensen, Co-Chair
Rep. Ronda Rudd Menlove, Co-Chair
Rep. Daniel McCay, House Vice Chair
Sen. Deidre M. Henderson
Sen. Luz Robles
Sen. Brian E. Shiozawa
Sen. Evan J. Vickers
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
Rep. Tim M. Cosgrove
Rep. Paul Ray
Rep. Edward H. Redd
Rep. Marc K. Roberts
Rep. Earl D. Tanner

Members Excused President Niederhauser
Sen. Knudson
Rep. Dee

Staff Present: Mr. Russell T. Frandsen, Fiscal Analyst
Mr. Stephen C. Jardine, Fiscal Analyst
Ms. Paula Winter, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order/Approval of Minutes

Co-Chair Menlove called the meeting to order at 2:04 pm.

MOTION: No minutes to approve

2. Department of Health's Disease Control and Prevention Base Budget
(http://le.utah.gov/lfa/reports/cobi2014/LI_LMA.htm)

Russell Frandsen, Fiscal Analyst, advised the Committee on the following items:

a. Funding reductions and revenue options (<http://le.utah.gov/interim/2014/pdf/00000702.pdf>)

- Mr. Frandsen referred to #15 and 16 on the line items which were:

i. Use Balance in the State Laboratory Drug Testing Account – Mr. Frandsen indicated there is a short fall in the Department of Health of about \$100,000 since FY 2010 and stated that if nothing is done with this balance in the State Laboratory Account, it could transfer to address the short fall. It also could be used to free up General Fund one-time.

Increase Two Medical Examiner Fees – Mr. Frandsen explained the reason for this fee increase.

Rep. Redd asked for clarification on the balance left on the state fund page and Mr. Frandsen clarified for him.

b. Expenditure Trends that may be of interest- Mr. Frandsen explained the criteria for identifying the trends as being an over 15% change in the funding over a projected or actual year. He presented information on each trend and its revenue source including:

- i Transfers – Medicaid – Projected increase
- ii Transfers – Public Safety – actual decrease
- iii Microbiology – increases
- iv Laboratory Operations – projected increase
- v In-state Travel – decrease

Rep. Menlove inquired about videoconferencing across the State and Dr. David Patton, Director, Department of Health, responded that there is a center available for emergency conferencing but it is available to use and is to reduce travel.

Rep. McCay referenced the trends and wondered whether the agency was getting away from the cost savings of using videoconferencing indicated by higher numbers in the trends. Dr. Patton answered that perhaps more attention could be paid to that. Rep. McCay and Dr. Patton continued to discuss the possibility of monitoring that area more diligently. Rep. Redd requested clarification on the numbers.

- vi Current Expense – increase
- vii DP Current Expense – increase
- viii Other charges /Pass Thru - increased

c. Other state funds- Mr. Frandsen continued to explain the following funds:

- i State Laboratory Drug Testing Account
- ii Department of Public Safety Restricted Account
- iii Prostate Cancer Special Group License Plate Restricted Account
<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #8D

Rep. Redd commented on the small number of license plates sold and suggested getting rid of the fund. Rep. Menlove indicated that a bill file needs to be opened for that to happen and Rep. Redd agreed to sponsor that.

Rep. Chavez-Houck offered background to the prostate cancer bill which addresses a special group license plate restricted account which originated from some of her constituents and wanted the Committee to know that the original bill came from a group of prostate cancer survivors who contacted her to sponsor the bill.

d. Federal funds in the Department of Health- Issue Brief

<http://le.utah.gov/interim/2014/pdf/00000860.pdf>) Mr. Frandsen referred to the Issue Brief.

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #1C)

e. Agency explanation of federal reserves over three months

(<http://le.utah.gov/interim/2014/pdf/00000860.pdf>)

Jennifer Brown, Division Director, Department of Health spoke to the large amount of reserves. Ms. Brown referenced the preventative block grant. She explained the timing of the official notice of grant award and how it impacts the funds available. Ms. Brown continued to explain several grants on the list.

Rep. Roberts requested clarification on whether or not the grants were reserves to draw down on. Mr. Frandsen and Rep. Roberts had a conversation about how those specific grants interact with the state money. Mr. Frandsen clarified that this is asking if they have more spending authority than the agency plans to use. Rep. Roberts also asked how it is decided when to use grant money or state and federal funds.

Ms. Brown explained that most grants are specific and have certain requirements. She used the Ryan White Fund to clarify. She also stated that goals are shared ahead and the CDC holds the agency to those goals. There was continued conversation between Rep. Roberts, Ms. Brown and Mr. Frandsen about how the funds can be used in combination with state funds. Rep. Roberts also voiced concern about making sure to spend the state funds before the federal funds are used.

Dr. Robert Rolfs, Deputy Director, Utah Department of Health (UDOH), addressed the Committee in regard to the burial and cremation fees requested and made recommendation against the fee requested yesterday.

Rep. Menlove referenced the State Lab Drug Testing Account and the use of the \$50,000 to relieve a deficit. Dr. Rolfs indicated that would work and be kept in mind that this is one-time funding. Mr. Frandsen shared the Analyst recommendation.

f. Performance measure trends Mr. Frandsen continued to clarify and explain this information in each of the areas where there was a 5% or more change:

- i Accidental/Undetermined Overdose Deaths Involving at Least One Opioid Prescription- Rep. Roberts asked for clarification
- ii Percentage of Newly Arriving Refugees Receiving a Health Screening Evaluation Within 30 Days

Rep. Redd commented about how important the health screening is because of possible public health concern. He also commented on the opioid prescriptions and the number of deaths in Utah from that cause.

iii Gonorrhea Cases per 100,000 Population

Rep. Menlove commented on the large number of cases and the increase and asked if the UDOH could speak to that issue. Jennifer Brown explained that the Department has been trying to address this issue and indicated that there has been a ramp up in the disease investigations and expanding the survey which is going out now to help that situation. Ms. Brown indicated there is

an increase among women in the age group of 18-25 and also that the funding for an educational component has been decreased. Rep. Redd emphasized that the education needs to be ongoing.

iv Percentage of Escherichia Coli and Listeria Foodborne Pathogens with DNA Analysis Completed Within 96 Hours

g. Three proposed performance measures to include in Appropriations Acts via intent language – <http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9C)

Jennifer Brown, Division Director, Utah Department of Health, addressed the measures for performance being proposed which are:

1. Gonorrhea Cases per 100,000 population

Rep. Chavez-Houck referred to a concerted effort a couple of years ago in regard to Chlamydia and expressed frustration about this situation. Ms. Brown replied that efforts are being made to integrate the educational materials with all STIs.

2. Percentage of Utah Adults who are Current Smokers- Ms. Brown noted the efforts being made in the cessation of tobacco use.

Sen. Shiozawa brought up the issue of e-cigarettes and how that would factor into their efforts. Dr. David Patton, Director, Utah Department of Health, addressed the issue and stated they would be taking a position against e-cigarettes. He confirmed that the device is untested, it is not FDA approved as a cessation device, nicotine is being injected straight into the system and there is a lot of downside to the e-cigarettes. However, he indicated that this issue is not in the same category as the cigarette smoking especially in the youth.

3. Percentage of toxicology cases completed within a 14 day goal.

Rep. Redd inquired who these cases involve and Ms. Brown and Dr. Patton indicated it is both DUI and medical examiner cases. Rep. Redd wondered if people who are living would be a better focus. Dr. Patton and Rep. continued to talk about this question.

Sen Christensen asked whether this toxicology would work for animals as well as humans or does the veterinary department have their own toxicology. Dr. Patton replied that there is a good amount of information that comes to their department about animals as well and that they were involved in determining what happened with the deaths of eagles and grebes in Utah recently.

Rep Menlove stated these performance measures are very specific and whether there were any broader measures and queried if they felt these were the best measures to be chosen.

Dr. Patton stated that in terms of their processes this is what they would be looking at.

h. Agency requests for non-lapsing authority

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #3H, 3I, & 3J)

Jennifer Brown, Division Director, Utah Department of Health (UDOH), stated the request for the use of non-lapsing funds in the amount of \$175,000 for the Bureau of Epidemiology with the use of these funds being limited to maintenance or replacement of computer equipment, replacement or upgrading of software, as well as enhancing the use of development for their data bases. An additional request is for non-lapsing funds limited to up to \$500,000 for alcohol, tobacco and other drug reductions and cessations during FY 2015. Lastly they are requesting use

of non-lapsing funds during FY 2015 in the amount of \$475,000 to replace computer equipment, software, laboratory equipment and facilities improvement in the Medical Examiners specimen handling facilities.

Sen. Shiozawa asked again if e-cigarettes would be addressed with the allocation of these funds to the alcohol, tobacco and other drug cessation programs. He explained that he is trying to get a definition of what is happening in the Department. Dr. Patton again replied that is being addressed with an active program.

Rep. Roberts asked for clarification in the language on motion 3H the \$475,000 non-lapsing funds. Russell Frandsen, Fiscal Analyst, answered his question. Dr. Patton and Ms. Brown continued to clarify about lapsing vs. non-lapsing funds and needs of the Department.

i. Proposed reorganization of Disease Control and Prevention Line Item

Dr. Robyn Atkinson-Dunn, Director, Utah Public Health Laboratory, Utah Department of Health, referenced the document titled Division of Disease Control and Prevention which addresses reorganization in order to simplify organization of funding.

Rep. Tanner asked for clarification about the combining of lab programs into a single line item and the reason for that. Dr. Atkinson-Dunn clarified for Rep. Tanner and they continued to discuss the clarification.

MOTION: Sen. Christensen moved for approval of items 1C, 3H, 3I, 3J, 6A for the Department of Health's Disease Control and Prevention line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/24/2014 12:47 PM: items 1C, 3H, 3I, 3J, and 6A and the updated performance measures.

Motion passed unanimously with President Niederhauser, Sen. Knudson, and Rep. Dee excused for the vote and Sen. Henderson and Rep. Cosgrove absent for the vote.

MOTION: Rep. McCay moved to approve Item #15 1/24/2014 for the Department of Health on the Reductions List Revenue Options and Funding Exchange List

Rep. Redd asked for clarification of item #15 and Mr. Frandsen clarified for him.

Motion passed unanimously with President Niederhauser, Sen. Knudson, and Rep. Dee excused for the vote and Sen. Henderson and Rep. Cosgrove absent for the vote.

3. Department of Health's Local Health Departments Base Budget

a. Local Health Departments shared funding

Robert Rolfs, Deputy Director, Utah Department of Health, addressed:

i. Grants and funding shared between the state and 12 local health departments. He gave a background review of Senate Bill 21 passed in 2009 which addressed the idea of concurrence of how federal funding is allocated. He also mentioned the State Public Health

Improvement Plan to improve the overall health system which involves collaboration between the State Health Department and the 12 autonomous health departments. He stated that funding of public health in Utah remains less than optimal. He continued that this process in play now is effective in managing the funds allocated from the federal government.

b. Three proposed performance measures to include in appropriations acts via intent language

Dr. Rolfs acknowledged that these performance measures will continue to be refined:

1. Local Health Department Governance
2. Communicable Disease/Epidemiology
3. Maintaining a program under environmental sanitation

Rep. Menlove asked that the programs he spoke of be specified more and if quality measures will be involved.

Dr. Rolfs replied in the affirmative.

Rep. Chavez-Houck asked if there is a way to indicate best practices or ways to show if money is reaching where it needs to and resources are being maximized. Dr. Rolfs responded that the Department has been able to involve local health departments better in applying for federal funds and also being more responsive to their needs locally. Rep. Chavez-Houck and Dr. Rolfs continued to discuss the concern.

Rep. Redd stated that much of the collaboration mentioned is actually being done and measured. He suggested that the data being collected be brought back to the Committee.

MOTION: Sen. Christensen moved to approve the revised performance measures for the Department of Health with a target of 12 which is 100%.

Motion passed unanimously with President Niederhauser, Sen. Knudson and Rep. Dee excused for the vote and Rep. Cosgrove absent for the vote.

4. Medicaid Spending Statewide – Issue Brief

(<http://le.utah.gov/interim/2014/pdf/00001212.pdf>)

Russell Frandsen, Fiscal Analyst, explained the purpose of this brief stating that this is the resource that shows statewide all of the General Fund and Education Fund going towards the Medicaid program. Mr. Frandsen continued to explain the information available including the Education fund after a request from Sen. Christensen. He also addressed the four bold sections under Offsets to Medicaid expenditures. Mr. Frandsen referred to the chart on page 4 of the Brief and explained Eligibles vs. Expenditures.

Rep. Redd referred to page 2 of the Brief and asked about the mental health matching funds. Mr. Frandsen clarified the information on the chart on page 2 and continued to discuss with Rep. Redd.

Rep. Tanner also referred to page 2 Matching Funds Chart and asked for clarification on hospital assessment and pharmacy rebates. Mr. Frandsen responded by explaining those two areas. Rep. Menlove gave some input and they continued to clarify. Rep. Redd also inquired about nursing homes.

Michael Hales, Deputy Director, Utah Department of Health responded with further clarification on the previous items and the Disproportionate Share Hospital Payments (DISHP). He shared information about DISHP Hospitals. Rep. Tanner and Mr. Hales discussed the reason for the DISHP reductions.

Sen. Shiozawa asked Mr. Hales what one of the major hospitals affected by the reduction is and to what extent it is affected. He also inquired about what possible remedy there might be. Mike Hales responded that the University of Utah, Intermountain Medical Centers and many rural hospitals may be classified to receive DISHP funds. Mr. Hales responded that a remedy might be exploring an option for covering those people without insurance then there would be some kind of coverage. He suggested that there are a number of options that could be explored for consideration.

Sen. Christensen asked about the insurance tax the Accountable Care Organizations (ACO) will be charged. Mr. Hales explained that if there is a non-profit organization or for profit organization in the business of providing health insurance, either medical or dental such as Molina, which is a for-profit corporation, providing care for a non-commercial population it will incur a tax of over \$4 million per year. Mr. Hales continued to explain the effect of the taxes on these providers and where the taxes would go. There continued to be a discussion of the situation as well as possibilities.

5. Medicaid Inspector General annual report

Lee Wyckoff, CPA, CISA, CFE, Inspector General, Utah Office of the Inspector General, referred to the document entitled Social Services Appropriations Committee, Utah OIG and shared the mission statement of the Department as well as the goals and objectives, accomplishments and included FY 2013 return on investments and challenges. Mr. Wyckoff explained the remainder of the document.

Sen Christensen and Rep. Menlove thanked Mr. Wyckoff for the job being done.

Rep. Redd requested comments on the “win win” solutions and Mr. Wyckoff gave examples of how solutions are being handled. Rep. Redd also whether there had been any negative consequences from what the OIG is doing. Mr. Wyckoff indicated there are two instances where the providers claimed that the OIG is responsible for shutting them down but in those instances there was an unlicensed provider and there was abuse of children.

Rep. Cosgrove referenced the return on the investment piece and inquired whether more resources to the Department might affect the amount of resources recovered. Mr. Wyckoff

replied that no, they are focused on doing more with less.

6. Request to transfer \$3.7 million Mental Health Inpatient Medicaid Match.

Michael Hales, Deputy Director, Utah Department of Health (UDOH) invited Doug Thomas, Director, Division of Substance Abuse and Mental Health (DSAMH) with the Department of Human Services, explained the request being made and that it is not a new request but a transfer. Mr. Hales gave a background to the main idea which is to keep the counties from having to subsidize the increases from having more participants and addresses the Mental Health benefit within the State Medicaid program. It addresses caseload growth and keeping pace with the new people coming into the program.

Rep. Redd asked where the money would come from and Mr. Hales indicated that there is money through the Department of Human Services through an appropriation to the DSAMH which is paid to the counties. In terms of the transfer now there is no effect on the counties. This money will allow the DOH to keep pace with the increase of mental health cases coming on by next session. There was more clarification.

Sen. Christensen stated that this is an important issue. He rephrased the statement by giving an example. Mr. Hales again rephrased and clarified by using an example to assist in understanding the responsibility.

Russell Frandsen, Fiscal Analyst, inquired about the alternative to putting these funds back into the DOH would be to request a separate building block to fund the increase and Mr. Hales stated that the funds could be kept in the DSAMH and have it be a building block request for caseload growth in DSAMH as an alternative. Mr. Frandsen clarified by saying that of the \$85 million General Fund that went towards Medicaid allotted only \$3.7 million should go back to the DOH even though there are caseload increases in the Department of Human Services.

MOTION: Sen. Christensen moved to transfer the \$3.7 million General Fund from the Department of Human Services to the Department of Health for FY 2015.

Motion passes unanimously with President Niederhauser, Sen. Knudson and Rep. Dee excused for the vote and Sen. Robles, Sen. Shiozawa and Rep. McCay absent for the vote.

Rep. Menlove suggested moving 2 items to tomorrow's agenda in order to accommodate the Public Input

Melinda Arnold, parent, spoke about the Division of Services for People with Disabilities (DSPD) funding and the wait list. She voiced concern about waiting for 10 years and now desiring to get into a better program after being responsible and the increase it would be from \$20 to \$50 per day to do that. She is requesting some respite care also.

Rep. Menlove stated that she has been here on this Committee for 10 years and they have been

trying to get more funds and encouraged her to remain after the meeting to be put in touch with someone to help with respite care.

Rebecca Glathar, Executive Director, National Alliance on Mental Illness (NAMI) Utah, voiced concerns that only a few are able to access the services available. Ms. Glathar spoke on challenges of those who live with mental illness including the fraction of those able to access services, wait times to receive services, and also geographical issues as well as issues of availability of appropriate levels of care. She also mentioned availability of evidence-based practices and availability to providers of the best types of care.

Rep. Menlove suggested that Ms. Glathar talk with the Committee about some telehealth initiatives being worked on in terms of access to mental health and Sen. Christensen reminded Ms. Glathar about getting money through prescription drug savings and NAMI has countered that offer because of mistrust of that preferred drug list and the funding has been missed out on, but it is still available. Ms. Glathar countered that she wished it were that easy. Sen. Christensen and Ms. Glathar continued to communicate about the issue.

Rep. Redd commented that he does work with Bear River Mental Health and appreciated her for her advocacy for this segment of the population. He also spoke about the lack of services in rural areas.

Rep. Tanner asked what the effect of Medicaid expansion would be for those they serve.

Ms. Glathar suggested that the impact on individuals with serious mental illness would be disproportionately high and those young adult/transitional adult population is at higher risk because they are off of the Children's Health Insurance Program (CHIP) and not insured.

Rep. Ray and Sen. Christensen had a conversation about the efficacy of prescription drug payments and the needs.

MOTION: Rep McCay moved to adjourn.

Motion passed by all present.

Co-Chair Christensen adjourned the meeting at 5:03 p.m.